

Overseas
Private
Investment
Corporation

Baku
June 4, 2002



Caspian Oil & Gas 2002
Caspian Finance Seminar

*OPIC Support for
U.S. Investors in the
Caspian Region*

Ross J. Connelly
Executive Vice President & COO
Overseas Private Investment Corporation

Caspian Finance Center

Working
together
with the U.S.
Commercial
Service

- U.S. Trade & Development Agency (TDA)
Pre-investment support
- U.S. Ex-Im Bank
Finance for U.S. goods and services
- OPIC
Support for U.S. investors, with tailored products for small businesses

OPIC's Mission

Promoting
private sector
driven
economic
growth

*Support U.S. investment in
emerging markets:*

- Assume risks private sector lenders (or insurers) are not prepared to take
- Diversify and manage risk across a large portfolio
- Advocate on behalf of U.S. investors

OPIC Activity Since 1971

*Support U.S. investment in
emerging markets:*

- Mobilized \$138 billion
- In over 3000 projects
- In 129 countries
- Created 674,000 host country jobs

OPIC Products

- Finance
Direct loans and loan guarantees
- Insurance
Protects against a variety of risks
- Investment Funds
Provides equity to projects

Investment Insurance:

Protecting
U.S. investors
from real or
perceived
political risks

- Expropriation: *confiscation of investor's property by foreign government*
- Political Violence: *war, civil strife, revolution - any politically-inspired event that results in the loss of a U.S. investor's investment*
- Currency Inconvertibility: *loss of U.S. investor's ability to convert local currency into dollars and to remit or transfer outside of the country*

Investment Insurance

Who is
eligible for
OPIC
insurance?

Insured investor must be either:

- U.S. citizen
- U.S. corporation
- Foreign corporation, over 95% U.S. owned

Investment Insurance

Special
programs for
the oil & gas
sector

Tailored Insurance Products:

- Construction and engineering
- Contractors and exporters
- PSAs

Investment Finance

Direct project
finance for
projects with
a U.S. partner

Characteristics of OPIC Finance

- Limited recourse, long-term finance provided on a project-finance basis
- Private sector must manage project
- Flexible loan amounts -- \$100,000 to \$250 million
- Project must generate cash flows sufficient to repay OPIC loan
- Significant equity contribution required of investors

Recent
OPIC Oil &
Gas
Industry
Sector
Projects

*M-I Drilling (Kazakhstan &
Romania): Barite grinding
mills: \$4.3 million in insurance*

*Mondoil Enterprises (Ivory
Coast) - oil & gas field
exploration: \$25 million in
insurance*

*The Williams Companies
(Venezuela) - gas compression
facility: \$140 million in
finance*

Areas of Focus

Refocusing OPIC:

- Central Asia
- Small business

What are
OPIC's
priorities?

For
More
Information

OPIC's Local Regional Office

Peter Ballinger

Tel. +90 312 466 60 81

Fax +90 312 466 60 82

www.opic.gov